

November 22, 2005

**Agreement Regarding the Proposed Acquisition of PacifiCare of Washington, Inc.  
by UnitedHealth Group Incorporated**

The purpose of this document is to memorialize certain commitments within the State of Washington made by UnitedHealth Group Incorporated ("UHG") to the Washington State Office of Insurance Commissioner ("OIC"), concerning UHG's Form A application to acquire PacifiCare of Washington and its affiliates ("PCWA") through the merger ("Merger") of UHG with PacifiCare Health Systems, Inc. ("PHS"). UHG, PCWA and OIC may be referred to herein collectively as the "Parties" to this commitment document ("Commitment Document" or "Agreement"). References to PCWA shall include PacifiCare of Washington following acquisition of control thereof by UHG as a result of the Merger.

Effective upon entry of a written order of OIC approval of UHG's aforementioned Form A application, UHG, PCWA and the OIC agree to the following:

1. Unless otherwise permitted by OIC, UHG will not seek to integrate PCWA's claims and enrollment systems and related service operations, including, but not limited to, systems for claims payment, complaint handling, and customer and provider contracts (collectively, "PCWA Operations") with those of the UHG holding company system until the operations performance commitments ("UHG's Commitments") of United HealthCare Insurance Company and its licensed insurance carrier affiliates have been fulfilled in all material respects and confirmed by any multi-state review to which OIC is a party (the "Multi-state Review"). If the Multi-state Review does not deem UHG's Commitments to have been fulfilled by the first anniversary of the effective date of this Commitment Document, then at UHG's request, or at OIC's discretion, OIC may undertake its own determination of UHG's Commitments by a market conduct examination (the "OIC Exam"), conducted by OIC staff or by consultants under contract with the OIC, at OIC's option. UHG agrees to pay for reasonably necessary consulting services or examination costs related to any OIC Exam conducted pursuant to this Agreement. The OIC will not unreasonably delay performance of any OIC Exam requested by UHG.
2. In order to protect the interests of PCWA subscribers, its Washington providers and the general public of Washington, UHG agrees to establish and maintain a Process Improvement Reserve through an OIC-licensed Washington subsidiary of UHG, other than PCWA, for a period of three years from the date of approval of the Form A. The Process Improvement

Reserve shall be an escrow account with an independent escrow agent located in Washington State, selected by UHG, constituted of admissible assets with a value of not less than one million dollars. Funds in the Process Improvement Reserve may be available for the purposes set forth in this paragraph after the OIC provides written notice to UHG that UHG has failed to satisfy its UHG Commitments, as determined by the Multi-state Review or OIC Exam. The Process Improvement Reserve will not be used to pay for any OIC Exam. The Process Improvement Reserve may be available to cover the potential costs of remediating any Washington issues identified by the Multi-state Review or any Washington issues or violations of Washington law found by the OIC Exam, as applicable, including the costs of making payments to subscribers and providers as required by applicable provisions of Washington law, or paying penalties that may be imposed by the OIC for failing to comply with the terms of this Agreement or with UHG Commitments in Washington. If the Multi-state Review or the OIC Exam concludes that restitution should be made to Washington subscribers or Washington providers, any such restitution shall take priority over other expenditures from the Process Improvement Reserve.

3. After the UHG Commitments have been fulfilled in all material respects and confirmed by the Multi-state Review or OIC Exam, as applicable, UHG agrees to submit for OIC approval any plans for the integration of PCWA's Operations with those of the UHG holding company system ("Integration Plan"). Such submission shall include an overview of planned operational integration relevant to PCWA's Operations. Additionally, the Integration Plan shall include an overview of the integration of products, including proposed modifications to policy forms, rates, rules and underwriting guidelines, claims, practices and procedures. The OIC may impose additional reasonable conditions on its approval of UHG's Integration Plan that relate to PCWA Operations to ensure compliance with the Multi-state Review or OIC Exam requirements, and with applicable Washington law. The OIC may reject the Integration Plan if it finds the integration is unfair and unreasonable to subscribers of PCWA and not in the public interest, if the integration is likely to be hazardous or prejudicial to the insurance-buying public, or if the proposed integration otherwise fails to meet the standards defined in RCW Chapter 48.31C or other applicable law. The OIC will not unreasonably fail to determine the Integration Plan submission is complete or otherwise unreasonably delay or withhold approval of UHG's completed Integration Plan, and may consider accelerating its approval of the Integration Plan. In no event shall OIC's action or failure to act with respect to any such Integration Plan exceed sixty (60) days from the date that the OIC has determined that the Integration Plan submission is complete.

4. UHG will maintain all PCWA Operations as presently structured until UHG Commitments have been deemed satisfied by the Multi-state Review or OIC Exam, as applicable, in accordance with paragraph 1 of this document, and the OIC has approved UHG's Integration Plan according to paragraph 3 of this document. In the event of significant and unforeseen adverse changed circumstances relating to PCWA, UHG may make changes to PCWA Operations with the written approval of the OIC, which OIC shall not unreasonably delay or withhold.
5. Notwithstanding the requirements for OIC approval defined in paragraphs 1, 3, and 4, PCWA employees may become employees of United HealthCare Services, Inc. at UHG's discretion upon completion of the Merger. UHG may also make personnel changes associated with the elimination of PHS's public trading company functions or occasioned by retirement or resignation, or by reclassification, suspension, termination or other action related to job performance. UHG also may make de minimis changes to PCWA Operations in the ordinary course of business that will not impair PCWA's compliance with applicable provisions of Washington law. As long as changes to PCWA Operations that require the approval of the OIC under Washington law, such as changes to rates and contracts, have been properly submitted for OIC approval, no copies need be sent to the Deputy Commissioner for Company Supervision designated to receive notice under this Agreement.
6. Following the Merger and before integration, UHG will maintain or expand PCWA's current levels of effort in offering and renewing products in the Washington market, so long as compliance is not economically unreasonable and its products are not adversely affected by legislative or regulatory changes. UHG will also ensure that PCWA maintains compliance with Washington law and regulations, and ensure that PCWA continues to comply with all its current market conduct compliance commitments within Washington State. No provision of this Agreement shall be interpreted to relieve any party from its obligation to comply with Washington law.
7. UHG will provide OIC with quarterly updates on progress in meeting UHG's Commitments to the Multi-state Review, and on any de minimis changes made to PCWA Operations. The OIC may conduct such examinations as it finds reasonably necessary to determine UHG's compliance with the terms of this Agreement. UHG agrees to pay all reasonable OIC Exam costs and expenses including those of reasonably necessary consulting services.
8. All documents and records submitted to OIC pursuant to Integration Plan, Multi-state Review, the OIC Exam and the Washington Program

Commitment Agreement shall be treated by OIC as proprietary/confidential/trade secret information of UHG and PCWA, and as pending examination reports under 48.03.050 RCW and will be withheld from public inspection to the extent permitted by applicable law. In the event OIC receives any request for disclosure or release of any confidential records, OIC will promptly notify UHG of such request in order to enable UHG to pursue any available legal options it may have to prevent disclosure.

9. For a period of three (3) years from entry of a written order of OIC approval of UHG's aforementioned Form A application, UHG will not pledge its ownership of its Washington domiciled carrier subsidiaries including PCWA, and will not pledge any assets or investments owned by such subsidiaries, toward any debt assumed by UHG.
10. For a period of three (3) years from entry of a written order of OIC approval of UHG's aforementioned Form A application, UHG's Washington domiciled carrier subsidiaries including PCWA will not guaranty or be a party to any debt assumed by UHG.
11. For a period of three (3) years from entry of a written order of OIC approval of UHG's aforementioned Form A application, funds from UHG's Washington domiciled carrier subsidiaries including PCWA will not be used to pay for any of UHG's costs associated with the Merger, including, but not limited to executive compensation, due diligence, attorney and accountant fees, or any costs payable by UHG according to the terms of the UHG-PHS merger agreement or this Agreement.
12. UHG will provide to the OIC copies of any written agreements entered into between UHG and any other state regarding UHG's Additional Commitments, and will afford Washington the analogous or otherwise agreed level of commitments commensurate with its Washington operations, as UHG may make to any of the other PacifiCare domiciliary states in connection with their approval of the transaction or in connection with the Multi-state Review. "UHG Additional Commitments" means commitments by UHG pertaining to claims and enrollment systems and related service operations, including, but not limited to, systems for claims payment, complaint handling, quality improvement, and customer and provider contracts. "UHG Additional Commitments" does not mean or include "UHG Commitments" as defined in Paragraph 1 of this Agreement, or any financial undertaking, fine, penalty, forfeiture or other monetary commitment or remedy by UHG to any jurisdiction.
13. UHG will provide to the OIC copies of any written commitments to other PacifiCare domiciliary states regarding any voluntary donations or other

commitments for healthcare programs such as those for uninsured or under-insured persons ("Program Commitments"). UHG will afford Washington an analogous or otherwise agreed upon level of such Program Commitments made in the other states commensurate with and in proportion to PCWA's Washington business operations. UHG's Program Commitment payment to Washington will not be less than one million dollars. Proportionality will be determined by taking into account the relative covered lives, total revenues of PCWA in comparison to those of the PacifiCare entities being acquired in the other relevant state. The final calculation of the Program Commitment for Washington will be set forth in a Washington Program Commitment Agreement, the execution of which by UHG and PCWA will be a precondition to the effectiveness of OIC's order approving UHG's Form A in accordance with Paragraph 18 below. The Washington Program Commitments shall be contributed to the Washington State Health Services Account or as otherwise agreed by the OIC.

14. UHG and the OIC shall be entitled to all procedural rights provided in the Administrative Procedures Act and the Insurance Code with respect to the interpretation, application or enforcement of the terms contained in this document.
15. The commitments set forth in this document are binding upon the Parties, are not intended to and shall not be deemed to create any third-party rights whatsoever.
16. In the event of any breach of this Agreement, the Parties acknowledge that Washington State will be irreparably harmed and could not be made whole by monetary damages. UHG and PCWA agree to waive the defense in any action for specific performance that a remedy at law would be adequate. The Parties further agree that the OIC will be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and to seek to specific performance to enforce its terms and provisions.
17. Quarterly updates, requests for examination, applications for integration, or any other notices related to this Agreement directed to the Parties at the following addresses:

Deputy Commissioner for Company Supervision  
Office of the Insurance Commissioner  
PO Box 40259  
Olympia, WA 98504-0259

UnitedHealth Group Incorporated  
5901 Lincoln Drive  
Edina, MN 55436  
Attn: Mike McDonnell, General Counsel


PacifiCare of Washington  
5995 Plaza Drive, Mail Stop CY20-267  
Cypress, CA 90630  
Attn: Nancy J. Monk, Vice President, State Government Affairs

With Copy to:  
James E. Hadley  
Ryan, Swanson & Cleveland, PLLC  
1201 Third Avenue, Suite 3400  
Seattle, WA 98101


18. OIC's order approving UHG's Form A application will take effect upon OIC's receipt of copies of the approval orders of all other states in which Form A applications are pending and the execution by UHG and PCWA of the Washington Program Commitment Agreement.
19. This commitment document shall be effective as of the effective date of the OIC's order approving UHG's Form A application.
20. The terms of this commitment document shall not be construed against any Party by reason of their having drafted any part of it.

THE TERMS OF THIS DOCUMENT HAVE BEEN REVIEWED AND  
ACCEPTED BY THE AUTHORIZED REPRESENTATIVES OF THE  
PARTIES AS EVIDENCED BY THEIR RESPECTIVE SIGNATURES  
BELOW:

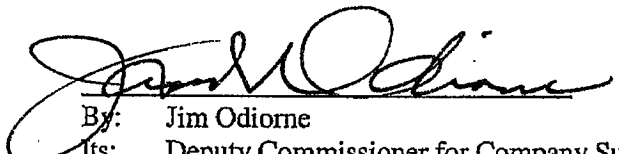
UNITEDHEALTH GROUP INCORPORATED

  
By: DAVID J. DUBBEN  
Its: GENERAL COUNSEL & SECRETARY  
Date: \_\_\_\_\_

PACIFICARE OF WASHINGTON, INC.

  
By: Bharat Patel  
Its: Assistant Treasurer  
Date: 11-22-05

WASHINGTON OFFICE OF INSURANCE COMMISSIONER

  
By: Jim Odiome  
Its: Deputy Commissioner for Company Supervision  
Date: 11-23-05